



Canyon Fuel Company, LLC
Skyline Mines
HC 35 Box 380
Helper, Utah 84526
(435) 448-6463 Fax: (435) 448-2632

June 1, 2001

Ms. Pam Grubaugh-Littig
Utah Coal Program
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Transfer of Dugout Canyon Mine Sediment Pond Sediment to the Banning Loadout

Dear Pam:

Canyon Fuel Company, LLC (CFC) is submitting these applications to modify the Dugout Canyon Mine and Banning Loadout Mining and Reclamation Plans to allow for the storage at the Banning Loadout of sediment removed from the Dugout Canyon Mine sedimentation pond. Five clean and redline-strikethrough copies of the modified pages of each M&RP have been included with this letter. A copy has been forwarded to Mr. Steve Demczak of the Division's Price office.

CFC plans to remove sediment from the Dugout Canyon Mine sedimentation pond and store it at the Banning Loadout in the area designated for equipment storage. A sample of the sediment has been obtained and analyzed to determine if it would be suitable as substitute growth media during reclamation. Results of the analysis indicate it is acceptable and is potentially as good or better than the material currently available at Banning for reclamation purposes. Therefore, it is CFC's intent to remove the sediment from the Dugout sediment pond, store it at Banning, and potentially use it during final loadout.

In addition to storing Dugout Canyon Mine pond sediment at Banning, CFC would like to, if necessary, pump the sediment pond water that does not meet the mine's UPDES discharge limitations into the abandoned and sealed portions of the Gilson seam workings located on the east and west sides of the canyon. MSHA has been notified of our intent to discharge the water to the workings. The mine would prefer to use the water for dust suppression but this may not use all of the water currently stored in the pond.

We would like to remove the sediment from the pond at Dugout Canyon Mine in the later part of June of this year. If you have any questions regarding these submittals, please call me at (435) 448-2669.

Sincerely,

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

cc: Steve Demczak, Price Field Office
Dave Spillman, CFC Dugout

RECEIVED

JUN 1 2001

DIVISION OF
OIL, GAS AND MINING

Handwritten notes and signatures:
Annotated
J. Demczak
C/007/039
AMC
Copy C/007/034

APPLICATION FOR PERMIT PROCESSING

| | | | | | | |
|--|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------------|
| Permit Change <input checked="" type="checkbox"/> | New Permit <input type="checkbox"/> | Renewal <input type="checkbox"/> | Transfer <input type="checkbox"/> | Exploration <input type="checkbox"/> | Bond Release <input type="checkbox"/> | Permit Number: ACT/007/034 |
| Title of Proposal: Modifications to Allow for Disposal of Pond Sediment from Dugout Canyon Mine at Banning Loadout | | | | | | Mine: Banning Loadout |
| | | | | | | Permittee: CANYON FUEL CO., LLC |

Description, include reason for application and timing required to implement: Dugout Mine is planning to clean its sediment pond early this summer (end of June) and needs a location to store the sediment.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

| | | |
|---|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

☐ Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein (R645-301-123)

R.W. Olsen RWD W. OLSEN
Signed - Name - Position - Date

Subscribed and sworn to before me this 31 day of May, 2001

Dionne M. Oman
Notary Public

My Commission Expires: 12-15-02
Attest: STATE OF Utah
COUNTY OF Carbon



DIONNE M. OMAN
NOTARY PUBLIC • STATE OF UTAH
891 NORTH 300 EAST
PRICE, UTAH 84501
COMM. EXP. 12-15-2002

Received by Oil, Gas & Mining
RECEIVED

JUN 11 2001

DIVISION OF
OIL, GAS AND MINING

ASSIGNED TRACKING NUMBER

Title of Application: Modifications to Allow for Disposal of Pond Sediment from Dugout Canyon Mine at Banning Loadout

Mine: Banning Loadout

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

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